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SUBJECT: MOVING FORWARD WITH CZECHS AND HIGHLIGHTS OF EU
PRESIDENCY

REF: DIXON-EUR/ERA E-MAIL DATED 7.1.2009

¶1. (SBU) Summary: Now that the Czech EU Presidency has come to a close, emboffs have noticed several notable shifts within the GoCR - in tactical engagement within the EU, in Czech centers of power, and interestingly in high-level outreach to the USG. The Czechs remain committed Euro-Atlantists and while they aspired to advance Transatlantic relations even further than they were able to during their EU Presidency, they continue to seek ways to strengthen these ties. There are also several areas of note (such as energy security, the Eastern Partnership, and limiting protectionist economic measures) where the Czechs feel they have substantially advanced issues within the EU over the last six months and where they continue to engage at the highest level. End Summary.

Czechs Offer Highlights of Their Presidency

¶2. (SBU) During the Czech EU Presidency, the Czechs had to contend with the comments of the French and the collapse of their government, both of which they feel have undercut their credibility within the EU and the wider world. In the later half of their presidency the Czechs took pains to emphasize their accomplishments, particularly in the areas of energy security, the Eastern Partnership, and avoiding protectionist measures in light of the economic downturn. The Czechs even published two documents, "Results of the Czech Presidency in the EU Council" and "The most important legislative acts settled during the Czech Presidency" outlining these accomplishments (Ref A).

¶3. (SBU) The strongly pro-American center-right Czech government had wanted to do more to strengthen transatlantic relations during their EU Presidency and were often frustrated by the lack of high-level U.S. interlocutors due to the pace of the U.S. transition. While pleased to host the first U.S.-EU Summit with President Obama, they had hoped to leave a more lasting legacy such as a reinvigorated Transatlantic Economic Council (TEC) or the launching of a U.S.-EU energy council. They also were very public in their opposition to any EU protectionist measures and played a key behind-the-scenes role in pushing the European Commission to accept the U.S-EU interim beef agreement. The Czechs will continue to support a strong transatlantic relationship and the elimination of transatlantic trade barriers. In this area, Czechs are one of the closest U.S. allies within the EU.

¶4. (SBU) The Czechs made energy security one of their main EU Presidency priorities and were widely praised for their handling of the January gas crisis and their ability to maintain EU consensus despite concerted Russian efforts to divide Europe. The Czech EU Presidency also pushed through

the Third EU Energy Liberalization package and 4 billion euros in EU funding for internal electricity and gas interconnections, carbon capture and storage pilot projects, and offshore wind farms. The four billion euros also included 200 million euros in seed money for Nabucco and 100 million for ITGI Poseidon. Concerned about central and eastern Europe's dependence on Russian gas, the Czechs actively reached out to the Caspian energy producers and PM Topolanek became the first leader of an EU Presidency country to visit the Caspian region in that role. The Czechs also held an EU-Southern Corridor Summit in May and Turkey subsequently signed the Nabucco intergovernmental agreement on July 13. The Swedes recruited Czech MFA Energy Envoy Vaclav Bartuska to advise them during their Presidency and the Czechs are likely to continue to punch above their weight on EU energy issues for the foreseeable future.

15. (SBU) With respect to the Eastern Partnership, for quite some time the Czechs have felt strongly that the EU needed to do more to engage its immediate neighbors and they were a driving force behind the very first summit with the EU's six Eastern neighbors this spring. The EU also pledged over 600M euros for the Eastern Partnership program aimed at encouraging internal reforms. Now that there is a framework for discussions with these nations, backed up by the enticement of substantial EU funds, Czech MFA officials see this as an opportune time to press hard, particularly on human rights reforms. Indeed, the European Commission met last month with Czech, Swedish, and Polish officials to discuss precisely how to carry forward internal reforms and support for civil society in these six nations, according to MFA Strategy and Analysis Deputy Director Martin Svarovsky.

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A More Subtle Czech Approach Within the EU?

16. (SBU) Officials within the Czech MFA Common and Foreign Security Policy (CFSP) Department recently commented to emboffs that they have learned quite a lot - especially when it comes to the formation of EU policy - in the last six months. As an example, Deputy Director Sequensova noted that previously the Czechs would often state their opinion at an EU gathering and then hope the weight of their argument would convince others. The Czechs learned that sometimes they were simply not engaged in debate or taken seriously if they were too rigid (especially when it came to their approach on human rights issues). She commented that since leading the EU Presidency, the Czechs noted that some of the most effective member states laid the groundwork with other key members first and then basically present a fait accompli once the actual meeting occurred. She noted that the Czechs now understand how effective this can be and that in the future they will put more effort into "lining things up" in advance. The Czechs are also more confident and no longer feel the need to defer to the views of the larger, and older EU member states. Deputy European Correspondent Magdalena Janesova noted that this is particularly true for the Czechs now when it comes to taking on France. Sequensova also noted that when the Czechs first joined the EU in 2004 they felt obliged to study every subject. According to Sequensova, leading the presidency has shown them that they would be better off studying and lobbying selectively.

Czechs Clamor for USG Attention

17. (SBU) As the Czechs slightly adjust their approach on advancing issues within the EU, they continue to engage the USG as in the past - seeking our insights and perspective on a range of subjects. The frequency of this outreach by Foreign Minister Kohout in particular is of a different magnitude than under Foreign Minister Schwarzenberg. While FM Schwarzenberg took an overarching view of issues and allowed those at the working level to advance issues,

according to Magdalena Janesova, from the time FM Kohout stepped into his new position, he has energetically engaged on a range of issues both within his MFA and with third countries. This is significant because it is often at the Head of Government and Foreign Ministerial levels of the EU where leadership really makes a difference and Kohout appears eager to make his mark. Unfortunately, Kohout's eagerness to engage his foreign counterparts on almost every foreign policy issue could backfire if he wears out his welcome. This would be unfortunate as Czech thinking often runs along similar lines to that of the USG. With August holidays and Czech elections in October, we need to remain realistic as to what we can expect to see from Czech officials during the early fall.

Musical Chairs and Power Shifts

18. (SBU) Working with this Czech interim government, emboffs have noticed a definite shift in power and coordination from the Deputy Prime Minister's office (formerly led by Alexandr Vondra) to the MFA. Indeed, the interim government scaled back Vondra's position in such a manner that Stephan Fule, who assumed the position, is simply the Minister of European Affairs while Jan Kohout was made Deputy Prime Minister and Foreign Minister. From the announcement of the new government, Kohout moved to transfer much of the responsibility for Summit preparations and substantive issues from Vondra's office to the MFA. Also of note, the GoCR hired substantial numbers of young Czech professionals to support the Presidency, augmenting staffing in such places as the DPM's office as well as the MFA (and key Embassies such as their mission to Brussels which more than doubled in size). While many of the most talented of these officials will be kept on, we are already seeing some departures, particularly in the logistical departments within the different ministries. Within the next six months there also will be a substantial number of MFA officials rotating to new posts, due in part to the recent lifting of the MFA freeze in transfers put in place last year to minimize transitions and staffing gaps during the EU Presidency.

Klaus as an Ongoing Distraction

19. (SBU) President Klaus, whose position is largely ceremonial in a normally functioning government, has assumed an increasingly significant role during this interim government. This spring he represented the Czech Presidency

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at several EU summits. He has also created difficulties for the GoCR with the rest of the EU because he has been slow to sign several treaties - such as the accession to the International Criminal Court, which sat on his desk from last fall until July 9, 2009, and the Lisbon Treaty, which passed out of parliament to him in May 2009. Klaus's foot-dragging did not help Czech credibility with the rest of their EU partners as the Czechs were the last EU member state to accede to the ICC. While the Lisbon Treaty only passed through the Czech Parliament in May, Klaus' numerous objections make it all but certain that the Czechs will be in a similar, although much more awkward, position with their EU counterparts if Klaus holds up implementation of EU structural reforms defined in the Lisbon Treaty with his non-action.

Comment: An Ally Willing to Advance Issues of USG Interest

110. (SBU) The Czechs, who have always been strong Euro-Atlanticists, continue to engage in several key areas within the EU, where they may be able to have more direct influence over the shape of events to come. Arguably they could be even more significant allies to work with in the upcoming year, now that they believe they better understand

how to maneuver the levers of power within the EU and can revert to advancing their bilateral views without the constraint of having to represent the EU middle ground. However, the GoCR recognizes that it must surmount the credibly gap that exists with partners, not helped by the fall of the government, nor some of the actions of President Klaus.

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